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MARKET ACCESS SECRETARIAT
Global Analysis Report

Sector Trend Analysis

Mustard Powder

In the Netherlands

January 2017

EXECUTIVE SUMMARY

The Netherlands play a leading role in a wide range of conventional produce and processed food in the European market. It is a major gateway for the import of agricultural commodities with a sophisticated network of importers, packers and re-exporters.

The Netherlands are a well-known gateway not only for conventional but also for organic commodities, with special ties to Scandinavian countries, like Denmark and Sweden, as well as other countries like Germany and The United Kingdom.

The growing demand among young Dutch consumers for international cuisine had a major impact on sales of condiments in the Netherlands in 2015, driving innovation and boosting sales. Most of the major food processors in different category took full advantage of this opportunity and introduced, for example, new food product containing mustard powder and packaging formats.

Furthermore, the number of smaller households is increasing as well as the number of double income households. This means that many consumers are looking for convenience.

For Canada, the Netherlands is the fourth-largest market within the EU for mustard. Canada was the third-largest supplier of consumer-oriented products which are subsecptible to contain mustard, to the Netherlands after United Kingdom and France. Dutch imports of consumer-oriented products from Canada continue to grow.

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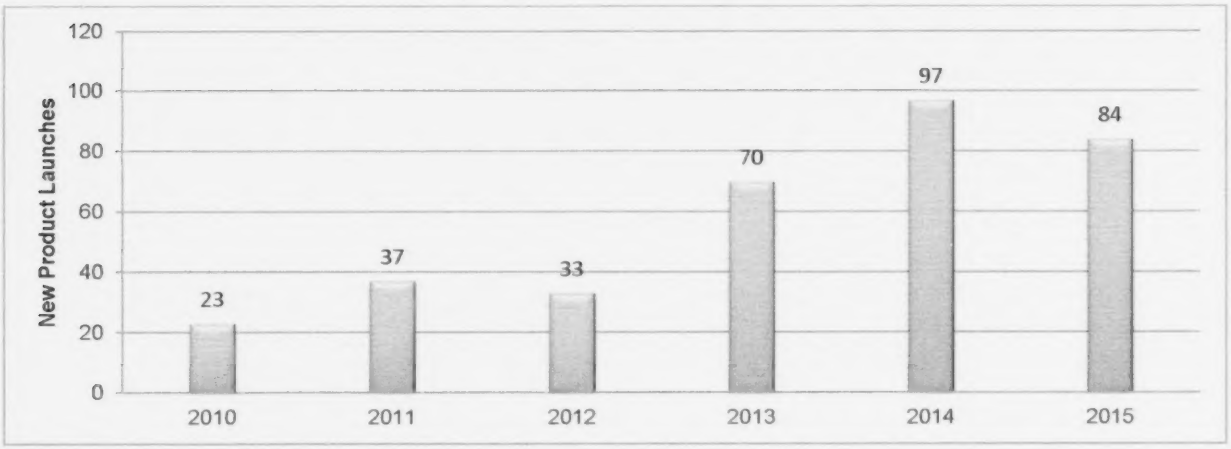
NEW FOOD PRODUCTS CONTAINING MUSTARD POWDER

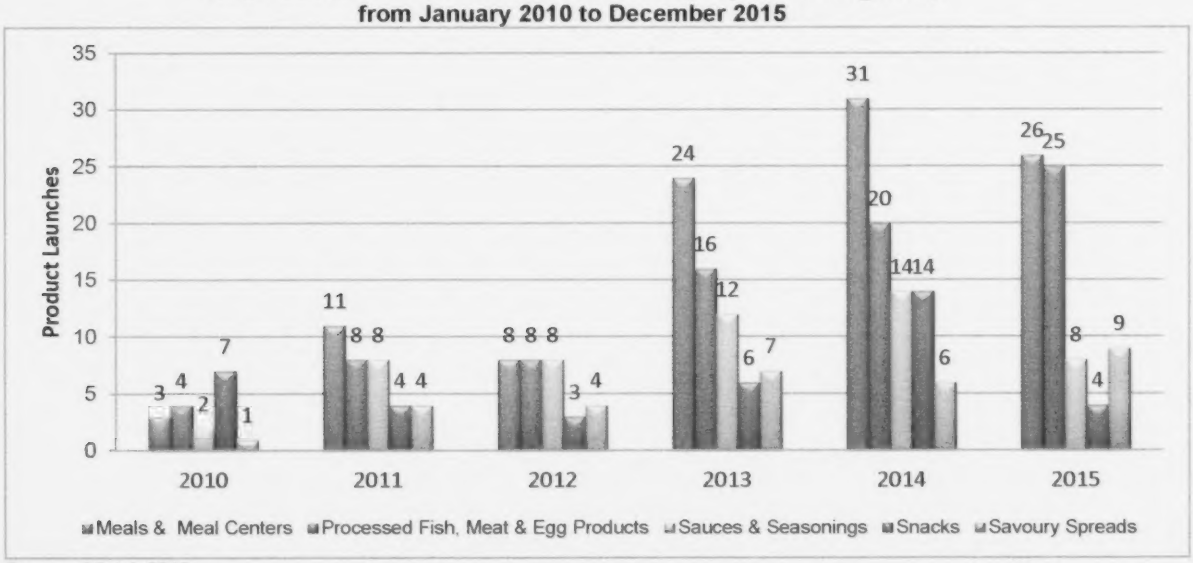
The number of new product containing mustard powder introduction in the Netherlands has fluctuated over the last 5 years, and has increased in recent years from a low of 23 new products in 2010 to a high of 97 new products in 2014. This has decreased slightly to 84 products in 2015.

New Food Products Launches with Mustard Powder by Year, from January 2010 to December 2015



From January 2010 to December 2015, there were 344 new products launched in the Netherlands that contained mustard powder. In 2015, meal and meal centre category saw the largest new product introductions with 26 new products, followed closely by processed fish meat and egg products with 25 new products, savoury spreads, sauces and seasonings, and snacks saw respectively 9, 8 and 4 new products.

New Food Products with Mustard Powder, Top Five Categories, from January 2010 to December 2015



Source: Mintel, 2016.

From January 2010 to December 2015, the ten main subcategories included meat products, prepared meals, meal kits, sandwich and wraps and fish products, seasonings, sandwich fillers, wet soups, hors d'oeuvre and salads.

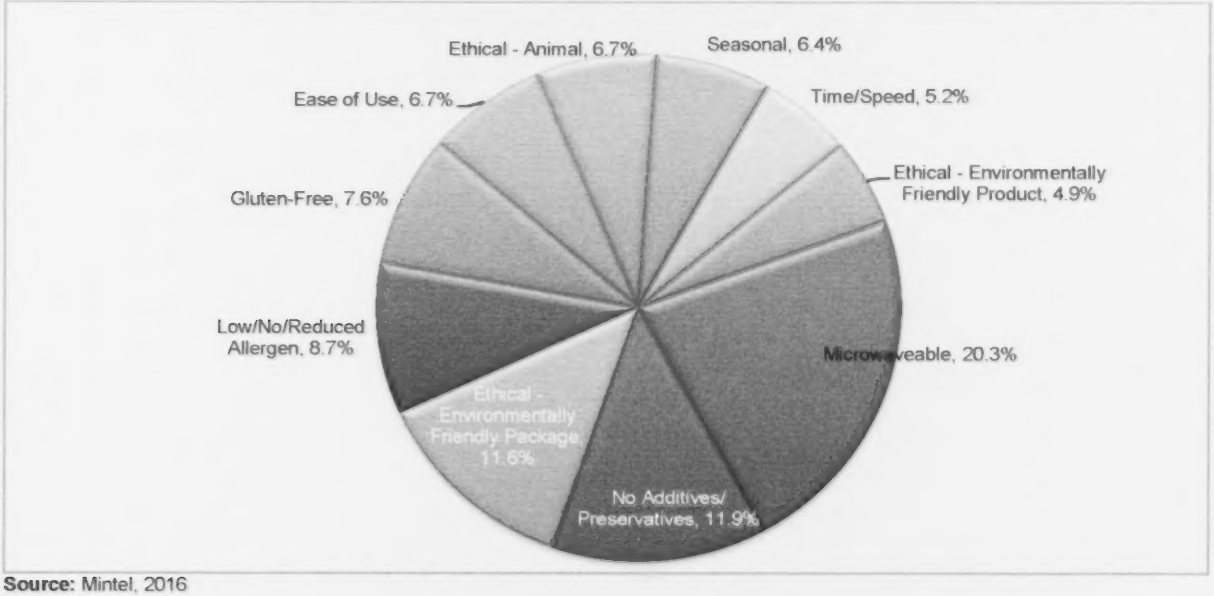
New Food Products with Mustard Powder in the Netherlands
By Sub-categories, From January 2010 to December 2015

Sub-Category	2010	2011	2012	2013	2014	2015
Meat Products	2	2	5	11	10	19
Prepared Meals	1	4	4	7	14	6
Meal Kits	0	2	1	6	7	7
Sandwiches/Wraps	1	4	2	7	5	2
Fish Products	1	4	2	5	4	4
Seasonings	0	3	4	5	5	2
Sandwich Fillers/Spreads	0	2	1	5	4	7
Wet Soup	5	1	1	2	3	6
Hors d'oeuvres/Canapes	4	1	1	2	6	2
Salads	1	0	1	4	1	6

Source: Mintel, 2016

Between 2010 and 2015, the most frequently used claims on new products containing mustard powder were "microwaveable" with 70 products or 20.3% of total launches, and "no additive no preservatives product" with 41 products (11.9%). Claims of "low/no/reduced allergen" and "gluten free" were the fast grown claims in this period.

New Food Products with Mustard Powder by Top 10 Claims, from January 2010 to December 2015



Source: Mintel, 2016

PRODUCTS AND USES

Mustard seed is primarily used as condiment, but is also a source of edible oil and protein meal.

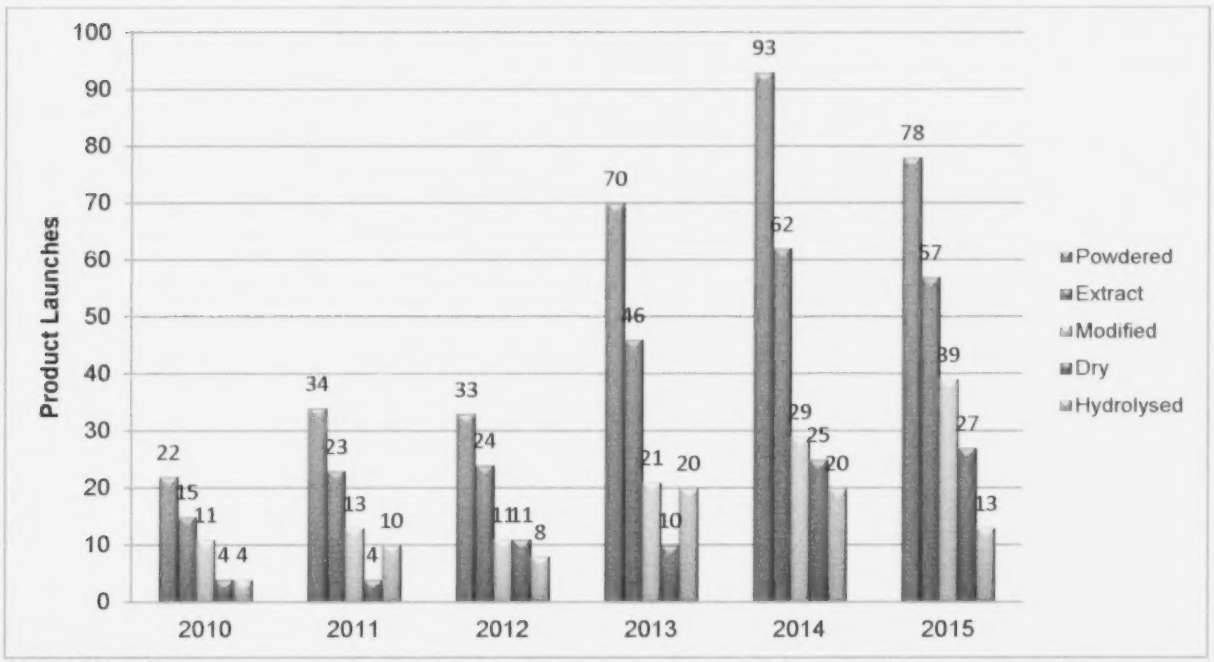
Yellow mustard seed, the mildest of the three types, is suitable for a wide range of applications, including dry milling for flour, wet milling for mustard pastes, and whole ground seed for spice mixes, meat processing, and other food products.

Brown and oriental mustard seed are hot and spicy. Brown mustard seed is ground into flour, which is used to produce hot mustard used in European products.

Oriental mustard seed is often used to produce spicy cooking oils.

The food industries are by far the largest users in all its form either be powder, seed or oil. It is also used as an emulsifier, a water-binding agent, and for texture control in many products. Of the 344 new product containing mustard introduced between 2010 and 2015, the majority contained powdered mustard (330 new products over the period).

New Food Products with Mustard Powder by Ingredients Preparation, from January 2010 to December 2015



Source: Mintel, 2016

Traditionally, mustard is used in Indian, French, German and Irish cuisines. Mustard powder is also used in salad dressings, egg dishes, cheese dishes, pickles and vegetables.

Between 2010 and 2015, food flavours such as chicken and curry were the most used in new products containing mustard powder. Other flavour components used in this period were plain/unflavoured, mustard and cheese.

New Food Products with Mustard Powder by Flavour Components, from January 2010 to December 2015

Source: Mintel, 2016

TOP COMPANIES

German Schwarz Group has gained a nationwide presence in the Netherlands, entering its Lidl discount banner. Lidl was the leader in launching products with powdered mustard, with 59 products launched between 2010 and 2015 (17 since 2015). Most of their products belong to the prepared meals and processed fish and meat category.

Ahold Delhaize is market leader in its Dutch home market, mainly driven by the strong Albert Heijn supermarket banner that ranked second in powdered mustard product introductions with 56 products between 2010 and 2015, and ranked 1st in 2015 with 23 new products.

Top Companies and Number of Products Containing Powdered Mustard, from January 2010 to December 2015

Company	2010	2011	2012	2013	2014	2015	Number of Products
Lidl	0	4	1	19	18	17	59
Albert Heijn	2	3	1	4	23	23	56
Aldi	0	0	1	9	10	7	27
Unilever	2	3	2	7	9	4	27
Jumbo Supermarkten	1	1	0	3	5	6	16
Johma Salades	0	0	3	3	3	2	11
Plus Retail	1	0	0	4	1	2	8
Iglo	1	1	1	1	2	0	6
Eismann	1	2	1	0	0	0	4
Glasbest	0	0	0	1	3	0	4

Source: Mintel, 2016

DISTRIBUTION CHANNELS

The majority of the 344 new products containing mustard powder introduced January 2010 to December 2015 were sold in supermarkets. Private labels represented 56% of the sales during the same period.

Distribution Channels and Number of Private Label versus Branded Product Containing Powdered Mustard, from January 2010 to December 2015

Store Type	Private Label	Branded	Number of Products
Supermarket	145	114	259
Mass Merchandise/Hypermarket	26	33	59
Natural/Health Food Store	0	5	5
Direct Selling	4	0	4
Convenience Store	0	2	2
Department Store	1	1	2
Specialist Retailer	0	2	2

Source: Mintel, 2016

According to Mintel, the standard priced products within this category are under pressure. Consumers are switching from mainstream brands to either affordable alternatives such as private label from supermarkets and discounters or they are switching to more products that are exclusive.

Price Point of Product Containing Powdered Mustard and Package Type, from January 2010 to December 2015

Price in US$	Tray	Tub	Flexible	Carton	Flexible sachet	Jar	Bottle	Flexible stand-up pouch	Can	Skin pack	Total Sample
4.00 US$	2	1	3	2	0	0	0	0	0	0	8
3.22 US$	1	1	2	0	0	1	1	1	0	0	7
3.20 US$	0	2	0	2	0	0	0	1	0	0	5
3.09 US$	4	0	0	0	0	0	0	0	0	2	6
2.72 US$	2	3	0	0	0	0	0	0	0	0	5
2.68 US$	4	2	1	0	0	0	1	0	0	0	8
2.67 US$	3	0	4	1	0	1	2	0	0	0	11
2.26 US$	7	1	1	0	0	0	1	0	1	0	11
1.73 US$	0	1	1	0	0	0	1	0	0	0	5
1.06 US$	0	0	3	0	3	0	0	1	0	0	7

Source: Mintel, 2016

NEW PRODUCT EXAMPLES

Organic Chicken Curry Salad

Organic Chicken Curry Salad

Company: Albert Heijn
Brand: AH Biologisch
Claims: Organic, Low/No/Reduced Allergen
Flavours: Chicken, Curry
Price in US: $3.22

Product Description:
AH Biologisch Kip-Kerrie Salade (Organic Chicken Curry Salad) is made with natural flavourings and fragrances.

The milk free product retails in a 150g pack which features the EU Green Leaf and EKO logos.

South African Bobotie with Minced Meat & Apple Meal Kit

Company: Unilever
Brand: Knorr Wereldgerechten
Claims: No Additives/Preservatives
Price in US: $3.34

Product Description:
South African Bobotie with Minced Meat & Apple Meal Kit is reformulated and claim to have an improved taste.

It is free from added flavour enhancers, preservatives and artificial colourings, and retails in a pack containing rice, sauce mix herb and spices, and makes enough for two or three people.

Indian Style Pita Bread with Filling

Company: Aldi
Brand: Quick Bite
Claims: No Additives/Preservatives, Time/Speed, Microwaveable
Price in US: $2.67

Product Description:

Quick Bite Pita Indian, the microwaveable product comprises pita bread filled with chicken and sauce. It is free from flavour enhancers and artificial colors, and retails in a 200g pack.

MARKET SIZE – SELECT PACKAGED FOOD SUSCEPTIBLE TO CONTAIN POWDERED MUSTARD

Although no specific data is available regarding market size for the powdered mustard, a wide range of product categories are susceptible to contain it from prepared meals to soups, dry and wet sauces, dry rubs and condiments. The following tables provide market size data for popular product categories that often contain products containing powdered mustard.

Market Size, Historic Retail Value Sales in US$ Millions
Packaged Food, Products Susceptible to Contain Powdered Mustard

Category	2010	2011	2012	2013	2014	2015	% CAGR*
Processed Meat and Seafood	2,205.7	2,249.7	2,283.4	2,268.5	2,247.8	2,226.8	0.2
Ready Meals	954.7	894.9	923.0	921.0	929.5	944.5	-0.2
Sauces, Dressings and Condiments	689.0	705.1	723.2	744.5	758.7	770.2	2.3
Processed Fruit and Vegetables	484.7	501.1	508.7	521.1	528.8	540.6	2.2
Salty Snacks	381.1	402.5	439.0	453.8	464.8	474.0	4.5
Soup	289.0	291.5	295.4	300.4	288.8	286.8	-0.2

Source: Euromonitor International, 2016
***CAGR:** compound annual growth rate
Note: This market size shows only selected product categories for packaged food susceptible to contain powdered mustard.

Market Size, Forecast Retail Value Sales in US$ Millions
Packaged Food, Products Susceptible to Contain Powdered Mustard

Category	2016	2017	2018	2019	2020	% CAGR*
Processed Meat and Seafood	2,211.0	2,197.2	2,184.0	2,175.7	2,164.9	-0.5
Ready Meals	964.9	989.0	1,016.0	1,045.3	1,075.0	2.7
Sauces, Dressings and Condiments	788.3	810.2	834.7	861.5	886.8	3.0
Processed Fruit and Vegetables	557.9	578.8	602.9	628.9	656.9	4.2
Salty Snacks	483.8	495.4	507.9	521.7	536.6	2.6
Soup	290.1	295.1	302.6	310.0	318.9	2.4

Source: Euromonitor International, 2016
***CAGR:** compound annual growth rate
Note: This market size shows only selected product categories for packaged food susceptible to contain powdered mustard.

CONCLUSION

Over the past five years, powdered mustard has mostly been used in processed meals, processed meats and seafood products. The most common claims found on these products have been the "microwaveable", "no additive no preservative" and "ethical environmentally friendly" type, validation the trend in the Dutch market of time starved consumers. Furthermore, Dutch consumers' awareness of the environment is and will continue to be a huge priority. Euromonitor reports that the entire food sector appears to be switching to eco-friendly goods and the will to go green is there for both consumers as well as suppliers.

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Find a Trade Commissioner**
  www.canadainternational.gc.ca/netherlands-pays_bas/

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For additional information on SIAL Paris 2016, please contact:

Ben Berry, Deputy Director
Trade Show Strategy and Delivery
Agriculture and Agri-Food Canada
ben.berry@agr.gc.ca

RESOURCES

Euromonitor International Database, 2016.

Mintel Global New Products Database, 2016.

***Sector Trends Analysis*: Mustard Powder in the Netherlands**

Global Analysis Report

Prepared by: Karim Zarrouki , Senior Market Analyst

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Agriculture and Agri-Food Canada, Global Analysis
1341 Baseline Road, Tower 5, 3rd floor
Ottawa, ON
Canada, K1A 0C5
E-mail: MAS-SAM@agr.gc.ca

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